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SUBJECT: West Nusa Tenggara: Migrant Labor Exodus Creates Economic Gain but Causes Social Disruption

Ref: A. JAKARTA 5081 (Notal - Document Fraud in Surabaya)

**¶1.** (SBU) SUMMARY. The Indonesian province of West Nusa Tenggara (NTB)--comprising Lombok and neighboring Sumbawa-- is one of the leading sources of legal and illegal migrant workers leaving Indonesia, due to weak local economic conditions. The exodus of NTB workers overseas is creating economic dependence on foreign remittances and producing high social costs in the impoverished province. National policies for overseas workers have had the perverse effect of encouraging illegal overseas workers and has helped create a robust market for false documents. The limited local government response is likely due to corruption and officials' financial involvement with overseas migrant worker (TKI) agencies recruiting locals for foreign employment. That conflict of interest has allowed serious abuses of TKI workers and has contributed to a growing human trafficking problem. A high profile trafficking case in 2005 raised public awareness and anger surrounding trafficking, motivating East Lombok Regency politicians to enact regulations protecting TKI workers. End Summary.

West Nusa Tenggara's #1 Export - People

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**¶2.** (SBU) During a recent visit to Lombok, ConGen Surabaya Pol/Econoff spoke with local officials, NGOs, and legal experts regarding West Nusa Tenggara's (NTB) status as a major source of legal and illegal overseas workers and the growing problem of human trafficking. The number of NTB residents looking for work abroad skyrocketed after the Asian Financial Crisis and the two terrorist bomb attacks in neighboring Bali decimated the area's nascent tourism sector, causing the closure of many hotels and the loss of thousands of jobs in the province. In 2005, NTB became Indonesia's second biggest labor exporter sending more than 42,000 "authorized" workers overseas (East Java Province is number one by a small margin but has ten times NTB's 4 million residents). The number of workers officially leaving NTB in 2005 was nearly double the 2004 total of 24,000. According to the Department of Manpower (Disnaker) statistics, 29,796 TKI from NTB headed to Malaysia (mainly men as manual laborers and women as domestic staff or other unskilled labor) and 8,986 to Saudi Arabia (mostly women working as domestics.) Disnaker also reports demand for NTB

workers is outpacing supply with 55,891 official requests for workers coming into the province. Lombok-based NGOs that work on TKI worker protection issues estimate that there were an additional 8-13,000 "unauthorized" TKI which left NTB illegally in 2005, mainly to destinations in Southeast Asia and the Middle East. The total of both legal and illegal workers adds up to nearly 2 percent of the population of the province who left to work overseas during 2005.

#### High Social Costs of Migration

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13. (SBU) As with TKI in other areas of Indonesia, those from NTB are poorly educated; according to Disnaker, approximately 80 percent of TKI from NTB have a junior high school education or less. The rapid depletion of the NTB workforce is straining local society in what local NGOs describe as a "vicious cycle" of migrant work. Residents leave the province for one to three years to obtain money to support their families, and return with enough funds to temporarily raise their standard of living; however, most have little idea of how to budget these funds, and quickly run through the money, forcing another overseas journey. Generally considered a conservative Muslim area, NTB has increasing rates of child abuse and domestic violence, problems which most NGOs say are directly linked to migrant worker issues. Another social cost of the wave of migrant workers is a soaring divorce rate. There is a sharp increase in the instances of "divorce by mail", where a wife receives a divorce letter from her husband and ceases to receive any further financial support for the family. With few job prospects locally, she is often forced to work overseas herself to support her children. Local NGO leaders

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lament the large number of NTB children being raised by maternal grandparents.

#### TKI Overseas Workers - NTB's Growth Industry

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14. (SBU) Foreign remittances generated by NTB workers have become a driving force in the provincial economy. At USD 425 per year, NTB has one of the lowest provincial per capita GDPs in Indonesia. TKI workers remitted close to USD 70 million to NTB in 2005, contributing over four percent of provincial GDP. With the sharp increase in TKI in 2005, local officials expect remittances to double in 2006. Virtually all of the TKI come from the lowest economic strata of NTB society, making the impact of these funds even more pronounced. The significance of remittances in the local economy creates a number of perverse incentives for local government officials and police. In meetings with three local NGOs who provide assistance to TKI in NTB, they all commented that local corruption surrounding the business of TKI is rampant. The head of the NTB Legal Aid Society (LBH APIK) added that some local government bureaucrats, especially Disnaker, accept bribes from TKI brokers to ignore some of their more dubious recruiting activities, or financially benefit from overseas workers by operating TKI employment agencies themselves. The NTB provincial police force has taken a hands-off approach to regulating recruitment or treatment of TKI and is implicated by locals as frequently a part of the problem.

15. (SBU) There are now 156 TKI overseas employment agencies officially registered with Disnaker in NTB. However, there are hundreds more unregistered agents operating illegally in the province. Several NGO contacts in Lombok told Pol/EconOff that this network of unregistered brokers operates "like mafia" taking advantage of the surge in residents seeking work overseas. Since few workers seeking overseas work are educated or have any experience with government procedures, most TKI have no idea which of the agents are legitimate and if the procedures they are asked

to follow are legal. Many TKI are willing to go overseas illegally, fearing they cannot meet GOI age or education requirements to obtain a legal permit for overseas work. Many workers traveling illegally are under-age girls. False documents are generally procured in Jakarta for illegal workers traveling to the Middle East and in Surabaya for workers headed to Southeast Asia.

#### False Documents In High Demand Due To GOI Policies

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¶ 6. (SBU) The GOI has imposed significant restrictions on overseas workers headed to the Middle East. Ministerial Decree #204/MEN/1999 stipulates that all workers headed to the Middle East may only do so if issued special passports only available in Jakarta. This decree creates a significant barrier for residents outside of Jakarta to obtain a Middle East worker permit using legal documents and has contributed to the growth of the document fraud industry in Indonesia. To date, ConGen Surabaya has identified 16 document fraud operations in East Java alone (Reftel), many run and supplied by Indonesian immigration officials. These operations use real passport stock, original software, and printers to essentially issue an original Indonesian passport. These "original but false" (aspal) documents are widely used by TKI in NTB as well as from other provinces. The head of the Panca Karsa Foundation (PCF) based in Lombok, the largest NGO assisting TKI in NTB, estimates 60 percent of NTB foreign workers leave Indonesia on aspal documents. Many TKI agents in NTB are little more than middlemen, recruiting for large TKI agencies in Jakarta and Sumatra. The local agents view the process of officially obtaining a permit and travel documents as protracted, overly complicated, and subject to illegal levies. They send the workers off to transit destinations where they can be more efficiently documented, usually with aspal documents, and sent abroad.

#### High Percentage of TKI Face Problems

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¶ 7. (SBU) The director of the Panca Karsa Foundation outlined the extent of the problems NTB TKI face. PCF was referred 3,336 cases of "TKI problems" by the victims and their families during the six months from December 1, 2005 through May 31, 2006. These cases ranged from workers not receiving the jobs or salaries they were promised, to torture and rape by employers and employment agents. They are currently working with 73 human trafficking victims. (Note: Our NGO contacts indicate that the number of trafficking cases reported to the NGOs and police is lower than they real figure because there is reluctance among victims to report their cases due to a lack of strong evidence, complex process/procedure, and cultural factors. The victims are also reluctant to report the case if the traffickers (brokers) are members of their own families.) PCF's director estimates that three or four times as many TKI are victimized during their transit or employment tenure but they are too afraid or embarrassed to report the crimes. LBH APIK handles legal cases for trafficking victims directed at local perpetrators. A notable case occurred in mid 2005 in Krukah subdistrict, East Lombok Regency. Two 12 year old girls escaped involuntary captivity and were referred to LBH APIK. They complained that they had given USD 320 to a TKI agency that promised them jobs as domestic workers abroad. They said that the agents held them captive and raped them and that the agents had many other girls. LBH APIK notified the police, who conducted a raid. Fifty-five other young girls were being held captive and subjected to rape and torture. The perpetrators were arrested, eventually convicted of defrauding the girl's parents of the placement fees and sentenced to only nine months in prison. Local NGOs are convinced, but have no evidence, that local judges were bribed to limit the conviction and sentences.

## Local Government Finally Responds

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18. (SBU) Local government's response to the social and legal issues surrounding the outflux of residents as TKI has been to encourage as many people as possible to work overseas. Many local leaders see only the regional revenue and personal economic benefits of this new "natural resource," ignoring the social costs of the exodus. However inadequate the sentence was for the convicted Krukah traffickers, NGOs see the case as a victory. It was the first time police raided a TKI agency and arrested human traffickers. More importantly, the local community responded to the abuses highlighted by this crime and the lack of governmental response with indignation and calls for action. With the help of LBH APIK, the East Lombok Regency DPRD recently approved local regulations (perda) specifically designed to protect local TKI. The perda must still be ratified by the local parliament prior to implementation. LBH APIK hopes to use the perda as a model for the other regencies in NTB to implement local level protection for their workers.

## Comment

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19. (SBU) While there will likely be little impetus to tackle the social issues raised by the overseas workers "industry", especially given the economic gain, we are now seeing a growing awareness of that lack of legal protections for TKI has made them vulnerable to illegal TKI recruitment agencies, corrupt agencies officials and human traffickers. Our NGO contacts hope to build on the recent attention the Krukah case has focused on the issue and work with local government agencies to improve protections for the tens of thousands of residents that leave each year. Better yet, they stress, would be national level action, in particular regulations regarding government officials involved in private employment agencies. Increasing public, police and political awareness of the existence and prevalence of human trafficking in the province could bring positive changes in attitudes needed to combat this problem.

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